Report of the Directors and

Consolidated Financial Statements

for the Year ended 30 April 2009

for

Scancell Holdings plc

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Scancell Holdings plc

Company Information
for the Year ended 30 April 2009

DIRECTORS:	Chairman - D E Evans Chief Executive Officer - Prof. L G Durrant Business Development Director - Dr R M Goodfellow Non-Executive Director - N J F Evans Non-Executive Director - Dr M G W Frohn Non-Executive Director (Senior Independent Director) - T M Rippon
SECRETARY:	N J F Evans
REGISTERED OFFICE:	Fifth Floor Carmelite 50 Victoria Embankment London EC4Y 0LS
REGISTERED NUMBER:	06564638 (England and Wales)
AUDITORS:	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE
LEGAL ADVISORS:	Laytons Solicitors Carmelite 50 Victoria Embankment London EC4Y 0LS

Scancell Holdings plc

Operating and Financial Review
for the Year ended 30 April 2009

Introduction
Scancell (www.scancell.co.uk), is a biopharmaceutical company focussed on the cancer therapeutics market. The Company was established in 1996 as a spin-out from the University of Nottingham and is listed on PLUS Markets (PLUS ticker: SCEP).

Scancell is developing a pipeline of cancer vaccines based on its patented ImmunoBodyTM platform, a revolutionary DNA vaccine technology which has the potential to overcome the significant limitations of other therapeutic cancer approaches. Scancell intends to take its lead melanoma vaccine, SCIB1, through a Phase I/IIa clinical trial with completion in 2011. A positive outcome would enable Scancell to position itself for a trade sale to one of the leading pharmaceutical or biotechnology companies operating in the oncology market. New approaches to cancer vaccines are constantly being sought by the major pharmaceutical companies to overcome the limitations of existing technologies. For example, in 2006 Pfizer acquired PowderMed, a developer of early stage DNA vaccines and 'gene gun' delivery technology as part of a major strategic move into the cancer and infectious disease vaccine market.

The ImmunoBody approach is also expected to be applicable to the development of therapeutic vaccines targeting infectious diseases. Importantly Scancell has validated its technology using a range of DNA delivery methods using three established approaches thereby permitting the company to select a delivery method based on commercial as well as technical considerations.

Overview
During the Period the Company continued to make good progress towards its goal of commencing Phase 1 clinical trials of its first therapeutic cancer vaccine for melanoma, SCIB1, in the UK during Q1 2010. It remains on target to submit an application for Clinical Trial Authorisation ('CTA') of SCIB1 later this year. In addition, Scancell has signed agreements with Ichor Medical Systems and MerckSerono to further support the commercialisation of SCIB1 and the ImmunoBody® platform as a whole.

Financials
The Financial Statements have been prepared utilising merger accounting rules as set out in Financial Reporting Standard 6.

Profit and Loss Account
The Group made an overall operating loss of £902,226 (2008:£509,688) reflecting the increased expenditure on the Immunobody platform and in accordance with management plans. These costs were partially offset by the proportion of the grant received from the East Midlands Development Agency towards the cost of progressing SCIB1 through GMP production and collating data for the application for CTA to commence Phase 1 clinical trials.

Interest receivable amounted to £57,282 (2008:£60,649) resulting in a net loss before taxation of £844,944 (2008:£449,039).

The taxation credit of £184,913 (2008:£43,372) reflected the higher amounts spent on Research and Development.
The Loss after Taxation amounted to £660,031 (2008: £405,307)

Balance sheet
The Company has a simple Balance Sheet with the largest asset recognised being its cash balances which at 30 April 2009 stood at £1,519,070 (2008:£997,747). The net increase in cash reflects inter alia the offset of the proceeds of the holding company share issue of 22nd September last year (£1,452,032) and the losses incurred during the year.

Investor Relations

Whilst raising monies on PLUS last year in the teeth of the financial crisis enveloping London was a significant achievement in its own right we have inevitably suffered subsequently with the share-price halving from its IPO price at one stage over the past year. This in part is a function of liquidity and partly because up until now we have kept our head down and sought to deliver against our plans. We are now at a stage where we feel we can more actively engage with the wider body public and we have engaged in a more pro-active campaign to get across the fundamental underlying strength of our science. To that end in particular we have organised a seminar on 10 September to communicate our story and to which all shareholders are welcome.
Our aim is to continue to communicate the positive message we have in a way that we believe will more fairly reflect the underlying value of the Company.

Scancell Holdings plc

Operating and Financial Review
for the Year ended 30 April 2009

ImmunoBody® Platform progress
The Company is pleased to report that during the Period Scancell continued to advance and develop its core technology, the ImmunoBody® Platform. Scancell's lead ImmunoBody® product, SCIB1, is a melanoma vaccine that has repeatedly shown good anti-tumour effects in animal studies.

Scancell's patent-protected ImmunoBody® vaccines overcome the current limitations of most cancer vaccines by generating the high-avidity T-cells that kill cancer cells.The Immunobody® platform technology can be adapted to provide the basis for treating any tumour type. It may also be utilised in the development of vaccines against chronic infectious diseases including hepatitis and HIV.

Post the year-end, Scancell secured a licensing agreement with Merck Serono, for two key patents required for the further development and commercialisation of protein ImmunoBody® vaccines. Under the agreement, Scancell has non-exclusive worldwide rights to use the two patents to further develop and commercialise ImmunoBody® vaccines in all therapeutic areas in both humans and animals. Scancell has also granted Merck Serono an option to negotiate an exclusive license under Scancell's ImmunoBody® platform technology for up to five Merck Serono targets.

In addition, Scancell signed a research agreement with Canadian vaccine development company ImmunoVaccine Technologies Inc. ('IVT'), to explore using IVT's DepoVax™ delivery system for Scancell's novel ImmunoBody® DNA vaccines. DepoVax™ has the potential to be a more practical delivery method for Scancell's future ImmunoBody® DNA infectious disease and animal health vaccines for which alternative delivery methods such as electroporation may be less suitable.

SCIB1 progress:
SCIB1 remains on track to enter Phase 1 clinical trials in Q1 2010. The Company secured a deal with Cobra Biomanufacturing Plc ('Cobra') for the manufacture of its SCIB1 vaccine in January 2009, enabling Scancell to meet its target, as stated in the October 2008 Interim Results, of commencing Good Manufacturing Practice ('GMP') in Q1 2009. Cobra's biopharmaceutical manufacturing is compliant with cGMP standards worldwide.

Since the year-end, Scancell signed an agreement with Ichor Medical Systems ('Ichor') to use Ichor's TriGrid™ electroporation device for the delivery of SCIB1 during Scancell's forthcoming pre-clinical and clinical studies of SCIB1. In vivo electroporation is widely regarded as an effective method of enhancing the potency of DNA vaccines by up to 100 -fold compared to conventional methods of delivery. Scancell is confident that TriGrid™ will provide the most effective delivery system for its SCIB1 melanoma vaccine as it enters clinical trials.

Scancell also has the option to license TriGrid™ for commercial use on payment of certain undisclosed milestones and royalties.

SCIB2:
Scancell's second ImmunoBody®, SCIB2, is an anti-angiogenic vaccine that is expected to have utility in the treatment of any solid tumour, either as monotherapy or in combination with tumour specific vaccines such as SCIB1. Scancell has produced and tested a range of potential candidates from which a second ImmunoBody® vaccine, SCIB2, will be selected and tested to the animal proof of principle stage.

Arana Therapeutics
Under an agreement dated 1 December 2006 Scancell Limited sold its pre-clinical pipeline of cell killing monoclonal antibodies to Peptech Uk Limited now part of Arana Therapeutics plc which itself has been acquired by Cephalon post 30 April 2009. Potentially there is a further payment due of £2,850,000 dependent upon achievement by December 2011 of a key milestone. The outcome of this milestone is uncertain but we continue to monitor the progress of the lead candidate through regular updates from Arana.

Outlook

Scancell has successfully completed its first year as a listed company. It remains on course to start clinical trials with SCIB1, its first cancer vaccine, for melanoma, in 2010 and has developed key relationships with prominent and influential businesses in the industry. It is immensely pleasing that the ambitious goals set out by the Company in September 2008, both for the development of SCIB1 and the ImmunoBody® Platform, have, and continue to be completed on time and on budget. The Company will continue to develop and deepen its existing alliances in addition to forging new relationships to further develop and strengthen its position as a key player in the cancer vaccine field.

To be able to execute the above in timely fashion the Company will need to raise additional monies which we estimate to be no less than £1.5m The Company has kept tight control over its cash and at 31 August 2009 the cash balances amounted to £1.4m. I have no doubts about our ability to manage our cash resources in a manner that does not jeopardise existing Shareholder Value and we will seek to raise additional monies at a time of our choosing.

I remain very confident that our approach of developing high-avidity T-Cells marks us out as a world-leader in the field and that we will succeed in creating significant strategic value for all Shareholders.

David Evans
Chairman
Scancell Holdings plc

Scancell Holdings plc

Report of the Directors
for the Year ended 30 April 2009

The directors present their report with the financial statements of the company and the group for the Year ended 30 April 2009.

INCORPORATION
The company was incorporated on 14 April 2008.

PRINCIPAL ACTIVITY
The principal activity of the group in the period under review was that of the discovery and development of novel vaccines for the treatment of cancer.

REVIEW OF BUSINESS
The results for the year ending 30 April 2009 and financial position of the company are shown in the annexed financial statements.

Scancell Limited and Scancell Holdings plc merged on 6th June 2008, this was effected by the existing shareholders of Scancell Limited being given 4 shares in Scancell Holdings plc for each of their original shares, this transfer was completed on 14th July 2008**.** The accounts have been prepared using merger accounting following the requirement of Financial Reporting Standard 6 'Acquisitions and mergers' and in compliance with Paragraph 11 of Schedule 6 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

During the Period the Company continued to make good progress towards its goal of commencing Phase 1 clinical trials of its first therapeutic cancer vaccine for melanoma, SCIB1, in the UK during Q1 2010. It remains on target to submit an application for Clinical Trial Authorisation ('CTA') of SCIB1 later this year. In addition, Scancell has signed agreements with Ichor Medical Systems and MerckSerono to further support the commercialisation of SCIB1 and the ImmunoBody® platform as a whole.

The operating performance review of Scancell Limited is included within the Operating and Financial Review, under the Financials heading.

Key performance indicators
Due to the nature of the business, the key performance indicator used by the company is the monitoring of income and expenditure against approved budgets.

DIVIDENDS
No dividends will be distributed for the year ended 30 April 2009.

RESEARCH AND DEVELOPMENT
The research and development activities of Scancell Limited are included within the Operating and Financial Review, under the headings:

ImmunoBody® Platform progress
SCIB1 progress
SCIB2

FUTURE DEVELOPMENTS
The Future Developments in the activities of Scancell Limited are included within the Operating and Financial Review, under the Outlook heading.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 May 2008 to the date of this report.

Mr N J F Evans
Dr M G W Frohn
Dr R M Goodfellow
Mr T M Rippon
Mr D E Evans
Prof. L G Durrant

DIRECTORS - continued

		Ordinary shares of £0.01 each At 30th April 2009 and at appointment	
		Issued shares	Joint ownership
L.G. Durrant	Appointed 15 April 2008	160,969	887,396
R.M. Goodfellow	Appointed 15 April 2008	20,000	644,384
D. Evans	Appointed 15 April 2008	250,000	Nil
N.J.F. Evans	Appointed 15 April 2008	310,000	160,000
M. Frohn	Appointed 15 April 2008	Nil	Nil
T.M. Rippon	Appointed 15 April 2008	195,416	Nil

M Frohn is a director of Oxford Technology which hold 942,588 ordinary £0.01 shares.

COMPANY'S POLICY ON PAYMENT OF CREDITORS
The company's policy is to pay all creditors in accordance with contractual and other legal obligations.

The rate, expressed in days, between the amounts invoiced to the group by its suppliers in the year and the amount owing to trade creditors at the year end was 34 days (2008 - 34 days).

PRINCIPAL RISKS AND UNCERTAINTIES
The principle risks facing Scancell are three fold; a funding risk, a technical risk and a commercial risk.

The funding risk relates to the fact that to be able to take SCIB 1 into humans we need to raise additional equity capital. In the current environment there is no certainty that the necessary funds can be raised. Without such funds then the underlying value associated with SCIB1 will not be realised.

The technical risk relates to the potential for the underlying scientific assumptions and hypotheses that underpin both Immunobody and SCIB1 are unable to be validated in human clinical trials.

The commercial risk relates to the potential for not being able to secure any value creating commercial agreement even if the science is validated.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Champion Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr D E Evans - Director

Date: ....

Report of the Independent Auditors to the Members of Scancell Holdings plc

We have audited the group and company financial statements of Scancell Holdings plc for the year ended 30 April 2009 on pages nine to twenty-two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2009 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- +we have not received all the information and explanations we require for our audit.

Mr M P Jackson (Senior Statutory Auditor)
for and on behalf of Champion Accountants LLP
2nd Floor
Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Date: ....

Scancell Holdings plc

Consolidated Profit and Loss Account
for the Year ended 30 April 2009

Year Ended 30.4.08 £		Notes	Year ended 30.04.09 £
231	**TURNOVER**		-
241,262	Cost of sales		713,278
(241,031)	**GROSS LOSS**		(713,278)
268,657	Administrative expenses		401,579
(509,688)			(1,114,857)
-	Other operating income	2	212,631
(509,688)	**OPERATING LOSS**	4	(902,226)
60,649	Interest receivable and similar income		57,282
(449,039)	**LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**		(844,944)
(43,732)	Tax on loss on ordinary activities	5	(184,913)
(405,307)	**LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION**		(660,031)
(5.60)	Basic earnings per share (pence) for loss attributable to equity shareholders		(7.17)

BASIC EARNINGS PER SHARE
Basic earnings per share is calculated by dividing the net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Earnings per share have been calculated in the net basis on the loss on ordinary activities after taxation of £660,031 (2008 £405,037) using the weighted average number of ordinary shares in issue of 9,203,513 (2008 7,237,884 as adjusted).

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current period or previous year.

The notes form part of these financial statements

Scancell Holdings plc

Consolidated Balance Sheet
30 April 2009

30.4.08				30.04.09	
£	£		Notes	£	£
		FIXED ASSETS			
86,652		Tangible assets	8		82,265
-		Investments	9		-
		CURRENT ASSETS			
	51,145	Debtors	10	404,590	
	997,747	Cash at bank and in hand		1,519,070	
	1,048,892			1,923,660	
		CREDITORS			
	88,351	Amounts falling due within one year	11	166,731	
960,541		**NET CURRENT ASSETS**			1,756,929
1,047,193		**TOTAL ASSETS LESS CURRENT LIABILITIES**			1,839,194
		CAPITAL AND RESERVES			
76,030		Called up share capital	13		102,756
-		Share premium	14		1,425,306
5,043,428		Merger reserve	14		5,043,428
(4,072,265)		Profit and loss account	14		(4,732,296)
1,047,193			17		1,839,194

The financial statements were approved by the Board of Directors on ……… and were signed on its behalf by:

D E Evans - Director

The notes form part of these financial statements

Company Balance Sheet
30 April 2009

	Notes	£	£
FIXED ASSETS			
Tangible assets	8		-
Investments	9		76,030
			76,030
CURRENT ASSETS			
Debtors	10	1,378,958	
CREDITORS			
Amounts falling due within one year	11	15,624	
NET CURRENT ASSETS			1,363,334
TOTAL ASSETS LESS CURRENT LIABILITIES			1,439,364
CAPITAL AND RESERVES			
Called up share capital	13		102,756
Share premium	14		1,425,306
Profit and loss account	14		(88,698)
SHAREHOLDERS' FUNDS	17		1,439,364

The financial statements were approved by the Board of Directors on ………………. and were signed on its behalf by:

Prof. L G Durrant - Director

The notes form part of these financial statements

Scancell Holdings plc

Consolidated Cash Flow Statement
for the Year ended 30 April 2009

Year Ended 30.4.08 £		Notes	Year Ended 30.04.09 £
(439,442)	**Net cash outflow from operating activities**	18	(1,216,070)
60,649	**Returns on investments and servicing of finance**	19	57,282
(148,727)	**Taxation**		38,962
(516)	**Capital expenditure**		(23,383)
(528,036)			(1,143,209)
20,845	**Financing**	19	1,664,532
(507,191)	**Increase in cash in the period**		521,323

	Reconciliation of net cash flow to movement in net funds	20	
(507,191)	Increase in cash in the period		521,323
(507,191)	Change in net funds resulting from cash flows		521,323
(507,191)	**Movement in net funds in the period**		521,323
1,504,938	**Net funds at 1 May**		997,747
997,747	**Net funds at 1 May/30 April**		1,519,070

The notes form part of these financial statements

continued...

Notes to the Consolidated Financial Statements for the Year ended 30 April 2009

1. **ACCOUNTING POLICIES**

Accounting convention
The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The consolidated accounts include the accounts of the company and its subsidiary undertaking. The group consists of the parent company and Scancell Limited, the combination took place on 3rd June 2008 and is accounted for as a merger following the requirement of Financial Reporting Standard 6 'Acquisitions and mergers' and in compliance with Paragraph 11 of Schedule 6 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

Basis of comparative information
The comparative consolidated profit and loss account has been presented as if the merger took place on the first day of each financial period presented and as though the Group, as presently constituted, had been in existence throughout these periods. The figures for the year to 30 April 2008 have been extracted from the audited Scancell Limited accounts adjusted for the shares issued by the Company as consideration as if they had always been in issue. Any difference between the nominal value of the shares acquired by the Company and those issued by the Company to acquire them is taken to reserves.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Deferred tax
Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based in current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Grants received
Grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate.

Investments in subsidiaries
Investments in subsidiaries are stated in the parent company’s balance sheet at cost less any provisions for impairment.

Cash at bank and in hand
Cash and deposits comprise cash at bank and in hand, including short term deposits with a maturity date of three months or less.

continued...

2. OTHER OPERATING INCOME

	30.4.09	30.4.08
	£	£
Sundry receipts	131	-
Government grants	212,500	-
	212,631	-

During the year grants amounting to £212,500 were receivable by the company, of this £138,271 were not received by the year end, and are included within other debtors.

3. STAFF COSTS

	Year Ended 30.04.09	Year Ended 30.4.08
	£	£
Directors' salaries	14,000	15,000
Wages and salaries	131,138	111,076
Social security costs	13,751	11,539
	158,889	137,615

The average monthly number of employees during the period was as follows:

	Year Ended 30.04.09	Year Ended 30.4.08
Research employees	4	3
Other employees	1	1
	5	4

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 30.04.09	Year Ended 30.4.08
	£	£
Other operating leases	14,056	10,763
Depreciation - owned assets	27,770	26,983
Auditor's remuneration – fees payable for audit of the company	6,000	0
Auditor's remuneration – fees payable for the audit of subsidiary company	6,000	10,000
Research and development expenditure	709,283	222,927
Directors' remuneration	37,725	15,000

continued...

5. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the period was as follows:

	Year Ended 30.04.09 £	Year Ended 30.4.08 £
Current tax:		
UK corporation tax	(48,158)	(43,732)
Adjustment to prior years' Corporation tax provision	(136,755)	-
Tax on loss on ordinary activities	(184,913)	(43,732)

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.4.09 £	30.4.08 £
Loss on ordinary activities before tax	(844,944)	(449,039)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 20%)	(177,438)	(89,808)
Effects of:		
Disallowed expenditure	79	1,136
Timing differences	(3,473)	(1,460)
Research and development tax refund	(48,158)	(43,732)
Prior period refund	(136,755)	-
Unrelieved trading losses carried forward	180,832	90,132
Current tax credit	(184,913)	(43,732)

The tax repayable balance includes £136,755 which relates to a tax refund for the year ended 30th April 2007.

The subsidiary company has tax losses to carry forward against future profits of approximately £2,700,000 (30th April 2008 - £2,000,000)

A deferred tax asset has not been recognised in respect of these losses as the subsidiary company does not anticipate sufficient taxable profits to arise within the immediate future to fully utilise them.

The estimated value of the deferred tax asset not recognised, measured at a standard rate of 21% is £567,000 (30th April 2008 - (20%) - £400,000)

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

The parent company's loss for the financial year was (£88,698).

continued…

7. MERGER INFORMATION

Scancell Limited and Scancell Holdings plc merged on 6th June 2008, this was effected by the existing shareholders of Scancell Limited being give 4 shares in Scancell Holdings plc for each of their original shares, this transfer was completed on 14th July 2008**.**

No significant accounting adjustments were required to achieve consistency of accounting policies as a result of the merger.

Scancell Limited had losses in the current period of £37,239 prior to the merger, and had net assets of £1,009,954.

Scancell Holdings Plc had losses in the current period of nil prior to the merger, and had net assets of nil at that time.

The comparative results in these financial statements relate wholly to Scancell Limited.

8. TANGIBLE FIXED ASSETS

Group	Plant and machinery £
COST	
At 1 May 2008	253,628
Additions	23,383
At 30 April 2009	277,011
DEPRECIATION	
At 1 May 2008	166,976
Charge for period	27,770
At 30 April 2009	194,746
NET BOOK VALUE	
At 31April 2009	82,265
At 30 April 2008	86,652

continued…

9. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings
	£
COST	
Additions	76,030
At 30 April 2009	76,030
NET BOOK VALUE	
At 30 April 2009	76,030

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Scancell Limited
Nature of business: Discovery and development of treatments for cancer.

Class of shares:	% holding
Ordinary	100.00

	30.04.09	30.04.08
	£	£
Aggregate capital and reserves	475,860	1,047,193
Loss for the period	(571,333)	(405,307)

10. DEBTORS

	Group		Company
	30.04.09	30.04.08	30.04.09
Amounts falling due within one year:	£	£	£
Trade debtors	8	8	-
Amounts owed by group undertakings	-	-	-
Other debtors	138,271	722	-
Tax	189,683	43,732	-
Value added tax	74,187	3,999	24,207
Prepayments	2,441	2,684	-
	404,590	51,145	24,207
Amounts falling due after more than one year:			
Amounts owed by group undertakings	-	-	1,354,751
	-	-	1,354,751
Aggregate amounts	404,590	51,145	1,378,958

continued…

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company
	30.04.09	30.04.08	30.04.09
	£	£	£
Trade creditors	77,971	32,344	-
Social security and other taxes	4,582	3,428	-
Other creditors	68,554	52,579	-
Accrued expenses	15,624	-	15,624
	166,731	88,351	15,624

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	30.4.09	30.4.08
	£	£
Expiring:		
Within one year	12,596	-
Between one and five years	-	12,596

13. CALLED UP SHARE CAPITAL

Alloted, issued and fully paid:

Number	Class	Nominal Value	30.04.09
10,275,551	Ordinary shares	1p	102,756

On 3rd June 2008 the company issued 6,267,500 1p ordinary shares at par on the basis of 4 shares for every one share held in Scancell Limited.

On 15th July 2008 the company issued 1,335,548 1p ordinary shares at par on the basis of 4 shares for every one share held in Scancell Limited, in accordance with the drag along provisions. Following this transfer the merger of Scancell Limited and Scancell Holdings plc was complete.

On 22nd September 2008, the company was listed on the plus market and 2,599,170 Ordinary Shares of 1p each were issued as fully paid at a premium of 59p per share.

On 19 December 2008 the company issued 73,333 new ordinary shares of 1p each in lieu of advisory fees relating to the admission of the Company onto the PLUS-quoted market at a price of 60p per share.

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13. CALLED UP SHARE CAPITAL - CONTINUED

Share options

The company had the following share options in place at 30 April 2009.

The Chairman Mr D E Evans, was granted 304,000 options in Scancell Holdings Plc exercisable at 60 pence per share.

These options shall vest and become capable of exercise according to the following schedule:

Net exit value	Number of shares over which option granted
Between £5m & £15m	76,000
Between £15m & £25m	152,000
Over £25m	304,000

The company has granted options to subscribe for the Company's shares to various persons. The share options that were granted are as follows:

Date granted	Exercise price	Number of shares
April 2009	25p	5,864
December 2008	50p	29,000
January 2009	60p	14,500
April 2009	94p	2,932
December 2008	£3.125	12,000
		64,296

14. RESERVES

Group

	Totals £	Profit and loss account £	Share premium £	Merger reserve £
At 1 May 2008	971,163	(4,072,265)	-	5,043,428
Deficit for the year	(660,031)	(660,031)		
Premium on share issue	1,576,776	-	1,576,776	-
Share issue expenses	(151,470)	-	(151,470)	
At 30 April 2009	1,736,438	(4,732,296)	1,425,306	5,043,428

Company

	Totals £	Profit and loss account £	Share premium £
Deficit for the period	(88,698)	(88,698)	
Premium on share issue	1,576,776	-	1,576,776
Share issue expenses	(151,470)	-	(151,470)
At 30 April 2009	1,336,608	(88,698)	1,425,306

continued…

15. RELATED PARTY DISCLOSURES

During the year to 30 April 2009 the following directors provided consultancy services to the company as follows:

Professor L Durrant	£42,659	(2008: £25,400)
Mr D Evans	£21,250	(2008: £nil)
Mr N J Evans	£8,520	(2008: £6,876)
Dr R M Goodfellow	£48,059	(2008: £30,523)
Mr T M Rippon	£2,475	(2008: £nil)

At the year end the following balances were outstanding:

Professor L Durrant	£nil	(2008: £2,500)
Mr D Evans	£6,250	(2008: £nil)
Mr N J Evans	£3,100	(2008: £nil)
Dr R M Goodfellow	£6,068	(2008: £2,671)
Mr T M Rippon	£nil	(2008: £nil)

All of the above transactions were conducted on normal commercial terms.

Professor L Durrant, Mr N J Evans and Dr R M Goodfellow provide their consultancy through limited companies.

16. POST BALANCE SHEET EVENTS

Post the year-end, Scancell signed an agreement with Ichor Medical Systems ('Ichor') to use Ichor's TriGrid™ electroporation device for the delivery of SCIB1 during Scancell's forthcoming pre-clinical and clinical studies of SCIB1.

Scancell also has the option to license TriGrid™ for commercial use on payment of certain undisclosed milestones and royalties.

Post the year-end, Scancell secured a licensing agreement with Merck Serono, for two key patents required for the further development and commercialisation of protein ImmunoBody® vaccines. Under the agreement, Scancell has non-exclusive worldwide rights to use the two patents to further develop and commercialise ImmunoBody® vaccines in all therapeutic areas in both humans and animals.

Scancell has also granted Merck Serono an option to negotiate an exclusive license under Scancell's ImmunoBody® platform technology for up to five Merck Serono targets.

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17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	Year Ended 30.04.09 £	Year Ended 30.04.08 £
Loss for the financial year	(660,031)	(405,307)
Share capital issued	1,603,502	422,945
Share issue expenses	(151,470)	(402,100)
Net addition to shareholders' funds	792,001	(384,462)
Opening shareholders' funds	1,047,193	1,431,655
Closing shareholders' funds	1,839,194	1,047,193

Company

	£
Deficit for the financial year	(88,698)
Share capital issued	1,603,502
Share issue expenses	(151,470)
Share capital issued to subsidiary company	76,030
Net addition to shareholders' funds	1,439,364
Opening shareholders' funds	-
Closing shareholders' funds	1,439,364
Equity interests	1,439,364

18. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year Ended 30.04.09 £	Year Ended 30.04.08 £
Operating loss	(902,226)	(509,688)
Depreciation charges	27,770	26,983
Government grants	(212,500)	-
Decrease/(Increase) in debtors	(207,494)	12,394
Increase in creditors	78,380	30,869
Net cash outflow from operating activities	1,216,070	(439,442)

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19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 30.04.09 £	Year Ended 30.04.08 £
Returns on investments and servicing of finance		
Interest received	57,282	60,649
Net cash inflow for returns on investments and servicing of finance	57,282	60,649
Financing		
Share issue	1,603,502	4,230
Share issue expenses	(151,470)	-
Government grant	212,500	-
Loan to Employee Benefit Trust to subscribe for shares	-	(402,100)
Premium on share issue to Employee Benefit Trust and directors' share issue	-	418,715
Net cash inflow from financing	1,664,532	20,845

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1.05.08 £	Cash flow £	At 30.04.09 £
Net cash:			
Cash at bank and in hand	997,747	521,323	1,519,070
	997,747	521,323	1,519,070
Total	997,747	521,323	1,519,070

21. CONTINGENT ASSETS

Under an agreement dated 1 December 2006 the subsidiary company sold its pre-clinical pipeline of cell killing monoclonal antibodies to Peptech (UK) Ltd (now Arana Therapeutics plc) for an initial consideration of £2,000,000 with a further amount of £2,850,000 payable to Scancell Limited if certain performance criteria are achieved. Payment of this amount is conditional on the antibodies reaching certain performance criteria within a period of five years from the date of completion of the sale. The likelihood of this further amount being received is uncertain and the financial statements do not reflect any amounts that may be due in the future.

22. GOING CONCERN

The Directors have reviewed the funding position for the forward period and considered the viability of business plans and budgets. These show that it can continue to trade until the end of 2010 and, if the performance criteria under the agreement with Arana Therapeutics plc are achieved, well beyond that period.

The Company will require further funding to allow it to fully exploit its Immunobody platform. To be able to execute our plans in timely fashion the Company will need to raise additional monies which we estimate to be no less than £1.5m

The Directors consider that based on the funding it has and the further steps being taken, the Company will be able to meet all it's obligations for the foreseeable future. Accordingly, the Directors consider that the going concern basis is appropriate for the preparation of these financial statements.

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